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TRADE AND DEVELOPMENT BOARD
Standing Committee on Developing Services
Sectors: Fostering Competitive Services
Sectors in Developing Countries: INSURANCE
First session
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Agenda item 3

STANDING COMMITTEE ON DEVELOPING SERVICES SECTORS: FOSTERING COMPETITIVE SERVICES SECTORS IN DEVELOPING COUNTRIES: INSURANCE

Draft work programme submitted by the Chairman

Pursuant to "A New Partnership for Development, the Cartagena Commitment", adopted at the eighth session of the Conference, the Standing Committee agreed on the basis of Board decision 398 (XXXVIII) which sets out, in Annex B, the terms of reference of the Standing Committee on Developing Services Sectors: Fostering Competitive Services Sectors in Developing Countries - to the following work programme in the field of insurance for the period up to the ninth session of the Conference.

In carrying out its work the Committee will give due regard to the work and experience of the former Committee on Invisibles and Financing related to Trade and of the UNCTAD secretariat in the area of Insurance.

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A. PROMOTING TRANSPARENCY

The Standing Committee will, with the inputs from regional and sub-regional entities, as appropriate, collect information on insurance operations, markets and experiences, as well as bibliographic references on these subjects in particular, through:

- a statistical survey on insurance and reinsurance operations;
- a review of developments in insurance and reinsurance

and disseminate the results.

B. FOSTERING COMPETITIVE INSURANCE SERVICES

The Standing Committee, with a view to developing and strengthening the insurance sector and enhancing trade, taking into account the particular concerns of developing countries in this sector, will:

1. Prepare a comprehensive study including:
   (a) a review of critical areas of concern with regard to macro-economic policies affecting the insurance sector and of insurance legislation, regulation and supervision in the light of ongoing or potential economic reforms - inter alia of progressive liberalization and privatization of insurance markets - with particular emphasis on issues of prudential regulation and protection of policy holders;

   (b) an analysis, based on contributions received, of the specific and general experience of developing countries and those countries in transition to market economies in fostering a market oriented insurance sector and in privatizing and liberalizing insurance markets;

(c) a study on policies and programmes in the context of regional cooperation among developing countries including reinsurance and opportunities for optimizing retentions;

(d) information arising from exchange of experiences on ways and means to develop creditor insurance for the benefit of small and medium size enterprises in developing countries to facilitate their access to credit from the financial system.

2. Building on previous studies by and information within UNCTAD, to examine alternative mechanisms to meet the insurance and reinsurance needs in respect of:

- catastrophies
- environmental impairements
- large risks

particularly in times of reduced reinsurance capacity.

3. With a view to expanding the domestic sector in agriculture and rural insurance and taking into account the work done by the UNCTAD secretariat, it will:

(a) examine linkages between insurance schemes, rural credit systems and development strategy in this sector, including the role of cooperatives;

(b) study crop, livestock, poultry and aquaculture insurances.

In carrying out its work, the Standing Committee will give particular attention to the situation of the least developed countries, and suggest ways and means for improving their capabilities.

C. STRENGTHENING TECHNICAL COOPERATION AND HUMAN RESOURCES DEVELOPMENT

The UNCTAD secretariat will provide technical assistance upon request within available resources:

(i) In the field of technical cooperation, advise and assist in areas within its competence.

Examples are:

- the revision of insurance legislation or the drafting of new legislation and assistance in the establishment of efficient supervisory bodies;
- the feasibility of establishing and strengthening national or regional insurance entities as well as insurance training and research institutions;
- the holding of workshops on a regional basis with the purpose of studying in detail the practical operation of agriculture insurance schemes, their infrastructure, existing loss assessment and claims-handling procedures, marketing practices, etc.

(ii) In the field of human resources development:

- assist in strengthening insurance education and training programmes provided at national and regional levels, including actuarial science;
- organize and conduct meetings, workshops and seminars for supervisory authorities, insurers and reinsurers to promote the exchange of experience and to disseminate the findings of UNCTAD studies and to train personnel of middle and higher levels to manage insurance activities more effectively .